



General Assembly

January Session, 2011

Raised Bill No. 1212

LCO No. 4849

04849_____JUD

Referred to Committee on Judiciary

Introduced by:
(JUD)

***AN ACT CONCERNING PROTECTIONS FOR RENTERS AFTER THE
FORECLOSURE OF A BUILDING IN WHICH THEY ARE LIVING.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 47a-20e of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2011*):

3 (a) For purposes of this section:

4 (1) "Bona fide tenant" means a tenant who (A) is not the mortgagor
5 or owner of the property, and (B) entered into the rental agreement in
6 an arms-length transaction; [and]

7 (2) "Premises", "rental agreement" and "tenant" have the same
8 meanings as provided in section 47a-1; and

9 (3) "Bona fide buyer" means a purchaser who (A) is not a parent or
10 subsidiary organization of, or otherwise affiliated with, a foreclosing
11 party in whom absolute title has vested, and (B) entered into an
12 agreement for the sale of the foreclosed property in an arms-length
13 transaction for a price that is not substantially less than fair market
14 value.

15 (b) Whenever a mortgage or lien of residential real property has
16 been foreclosed and there is a bona fide tenant in possession on the
17 date absolute title to the property vests in the mortgagee, lienholder or
18 successor in interest, [any execution of ejectment issued pursuant to
19 section 49-22 against such tenant shall be stayed and no] no execution
20 of ejectment may be applied for by, or issued to, the foreclosing party.

21 (c) Whenever a mortgage or lien of residential real property has
22 been foreclosed and there is a bona fide tenant in possession on the
23 date absolute title vests in the mortgagee, lienholder or successor in
24 interest, no summary process action pursuant to chapter 832 or other
25 action to dispossess such tenant may be commenced by the foreclosing
26 party except (1) for a reason set forth in subsection (b) of section 47a-
27 23c, or (2) on the ground that the foreclosing party has entered into a
28 contract to sell the premises in which the bona fide buyer has required
29 that the building be vacant as a condition of the sale. Any dispute
30 concerning the amount of rent to be paid by the tenant during such
31 period of occupancy may be resolved in accordance with subsection (c)
32 of section 47a-23c.

33 (d) Any summary process action [pursuant to chapter 832] or other
34 action [to dispossess such tenant] authorized pursuant to subdivision
35 (2) of subsection (c) of this section shall not be commenced until (1) in
36 the case of a written rental agreement entered into more than sixty
37 days before the commencement of the foreclosure action, the
38 expiration date contained in such rental agreement or sixty days after
39 the date absolute title vests in the mortgagee, lienholder or successor in
40 interest, whichever occurs first, or (2) in the case of a rental agreement
41 other than one described in subdivision (1) of this subsection, thirty
42 days after the date absolute title vests in the mortgagee, lienholder or
43 successor in interest. [, except that a summary process action or other
44 action to dispossess such tenant may be commenced prior to such date
45 for a reason set forth in section 47a-23 or 47a-31 other than for the
46 reason that the tenant no longer has the right or privilege to occupy the
47 premises as a result of such judgment of foreclosure.]

48 (e) Nothing in this section or Sections 701 to 704, inclusive, of the
49 federal Protecting Tenants at Foreclosure Act, P.L. 111-22, as amended
50 from time to time, shall limit or supersede the right of any tenant
51 under section 47a-23c or any other law to remain in occupancy without
52 regard to foreclosure. Nothing in this section precludes a foreclosing
53 party from negotiating an incentive agreement with a tenant pursuant
54 to section 47a-20f, provided the foreclosing party clearly informs the
55 tenant that pursuant to this section he or she cannot be evicted without
56 cause.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2011	47a-20e

Statement of Purpose:

To help prevent the decimation of neighborhoods that results when foreclosed rental properties become vacant by allowing a tenant to remain in occupancy in a foreclosed building under certain circumstances.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]